

# Memorandum



**Date:** September 9, 2004

**To:** Honorable Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

Agenda Item No. 7(J)(1)(D)

**From:** George M. Burgess  
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

**Subject:** First Amendment to the Bus Passenger Shelter  
Contract for Unincorporated Miami-Dade County

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**This item was approved by the Transportation Committee at its meeting of July 22, 2004, with one amendment. The amendment and its attachments are included in this document and reflect that all alcoholic beverage advertising shall be pursuant to a plan approved by the Board that prevents overconcentration of such advertising in any neighborhood.**

## **RECOMMENDATION**

It is recommended that the Board approve this First Amendment to the contract for the provision of bus passenger shelters in unincorporated Miami-Dade County, Contract TA01-BS3, with Cemusa Miami, Ltd., to allow advertising of products containing alcohol except within one quarter mile of schools, houses of worship, hospitals, or addiction treatment centers.

This item was presented to the Transportation Committee on June 17, 2004 and was deferred to the July 22, 2004 Committee meeting pending further information on the need for this amendment and the potential for increased revenues to the County. This information is included below.

## **BACKGROUND**

On July 23, 2002, as a result of an RFP process, the Board awarded Contract TA01-BS3 through Resolution No. R-836-02 to Cemusa Miami, Ltd. After a lengthy testing process and several design changes, the Notice to Proceed was issued in October 2003. Under the terms of this Contract, the Contractor is required to construct and maintain bus passenger shelters in the public right-of-way at bus stops throughout unincorporated Miami-Dade County. Additionally, the Contractor is given the right to sell and display advertising on the shelters and, in return, pay to the County a minimum guarantee or a percentage of the revenues, whichever is greater.

The contract, as it is currently written, prohibits the display of advertisements for the sale of products containing alcohol or tobacco. This First Amendment would permit the advertising of products containing alcohol except within one quarter mile of schools, houses of worship, hospitals or addiction treatment centers. The advertisement of alcohol products constitutes a very significant portion of the national market for bus passenger shelter advertising. Cemusa proposed the original Minimum Annual Guarantee with information provided by the Outdoor Advertising Association of America (OAAA) for the size of the overall market and the size of the alcohol market. Their figures were based on a 10% market share for alcohol in the Outdoor market. However, Cemusa's own studies and the latest figures from OAAA indicate that the alcohol outdoor market in Miami-Dade is over 40%.

This is a significant difference for Cemusa. The problem is rooted in the nature of the Outdoor advertising market. Media buyers approach Cemusa with contracts for a portfolio of client companies. Because the media buyers represent these portfolio groupings of customers (virtually all of which include alcohol vendors), buyers are not eager to do business with a shelter company that excludes these portions of their portfolios, preferring to deal with one company in a market that can provide a complete advertising service for all of their customers.

The prohibition on this type of advertising has made it difficult for Cemusa to successfully sell lucrative, national advertising. Limitations on alcohol advertising are putting Cemusa at a disadvantage in the South Florida advertising market, as all other companies selling outdoor advertising in South Florida are allowed to advertise alcohol. Specifically, the Cities of Miami, Miami Beach and Hialeah allow this type of advertising, providing media buyers with significant alternative outlets for advertising in the area. It is important to note that for the past 22 years, the County's previous shelter contractors were allowed alcohol advertising without any restrictions on school zones, houses of worship, hospitals, or addiction treatment facilities. With alcohol advertising, Cemusa will be able to greatly enhance its occupancy rates.

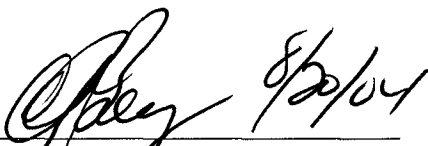
The outdoor advertising market for alcohol is very large in the US, representing over \$186 million per year. Having access to this market will help bring in national advertisers who carry the more sophisticated and aesthetically developed advertising campaigns, along with the largest spending budgets for outdoor advertising. The alcohol outdoor market in the South Florida Designated Marketing Area is \$16 million. Currently, about 15% or \$2.4 million is spent on shelters. Unincorporated Miami-Dade County represents 66% of that market, or \$1.8 million. If Cemusa is allowed to tap this market, potential sales could be increased by \$1.8 million. This, in turn, would have the potential of increasing the County's revenue by \$504,000 per year. Consequently, MDT recommends that the contract be amended to lift the prohibition and allow Cemusa to better compete in this market, thus increasing the revenues to be shared with the County.

Attached please find 4 maps depicting the unincorporated Miami-Dade County advertising area with color coded indicators of concentrations of African-American and Latino/Hispanic populations in the region. For each population grouping, alcohol advertising spreads are shown for a typical 25% "showing" and a 50% "showing." Showings are Cemusa's (and the industry's) standard method for the sale of shelter advertising space, whereby advertisers target the specified percentage of the general population. For example, a liquor company purchasing a 25% showing from Cemusa will be expecting approximately 25% of the general population of the County to view its ads, and Cemusa would place that company's ads in a geographic spread similar to the one depicted in the "Typical 25 Showing" maps attached. The majority of Cemusa's sales are for either 25% or 50% showings and always give advertisers even geographic spreads that expose individual ads as broadly as possible within the targeted percentage of the showing. As a matter of policy, Cemusa does not allow advertisers to request specific shelter sites. In this way, Cemusa can guarantee that there will not be instances of overconcentration of alcohol advertising in any one neighborhood.

Honorable Chairperson Barbara Carey-Shuler, Ed. D.  
and Members, Board of County Commissioners  
Page 3

**FISCAL IMPACT**

There will be no cost to the County as a result of this amendment. The potential exists for increased revenues to the County's share of advertising revenues totaling approximately \$504,000 per year.

  
\_\_\_\_\_  
Surface Transportation Manager

August 19, 2004

Mr. Roosevelt Bradley  
Director  
Miami-Dade Transit  
111 N.W. 1st Street, Suite 910  
Miami, FL 33128

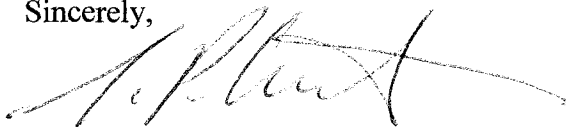
Dear Mr. Bradley,

Attached please find the executed Addendum to the current contract reflecting the amendment by the Board of County Commissions at the July 22, 2004, meeting and 4 maps depicting the unincorporated Miami-Dade County advertising area with color coded indicators of concentrations of African American and Latino/Hispanic populations in the region.

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As a matter of policy, Cemusa does not allow advertisers to request specific shelter sites. In this way, Cemusa can guarantee that there will not be instances of overconcentration of alcohol advertising in any one neighborhood.

Sincerely,



Toulla P. Constantinou  
Chief Executive Officer  
Cemusa, Inc.

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# MEMORANDUM

(Revised)

**TO:** Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** September 9, 2004

**FROM:** Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 7(J)(1)(D)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor

Veto \_\_\_\_\_

Override \_\_\_\_\_

Agenda Item No. 7 ( J ) ( 1 ) ( D )

9-9-04

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING EXECUTION OF A FIRST  
AMENDMENT TO CONTRACT TA02-BS3 WITH CEMUSA  
MIAMI, LTD. FOR PROVISION OF A BUS PASSENGER  
SHELTER PROGRAM FOR UNINCORPORATED MIAMI-  
DADE COUNTY; AND AUTHORIZING THE COUNTY  
MANAGER TO EXERCISE THE PROVISIONS CONTAINED  
THEREIN

**WHEREAS**, this Board desires to accomplish the purposes outlined in the  
accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board  
approves this First Amendment to the contract between Miami-Dade County and Cemusa  
Miami, Ltd. to provide a bus passenger shelter program for unincorporated Miami-Dade  
County in substantially the form attached hereto and made a part hereof; and authorizes  
the County Manager to execute same for and on behalf of Miami-Dade County, and to  
exercise the provisions contained therein.

The foregoing resolution was offered by Commissioner \_\_\_\_\_, who  
moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_  
and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrian D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

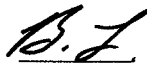
The Chairperson thereupon declared the resolution duly passed and adopted this 9<sup>th</sup> day  
of September, 2004. This Resolution and contract, if not vetoed, shall become effective in  
accordance with Resolution No. R-377-04.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

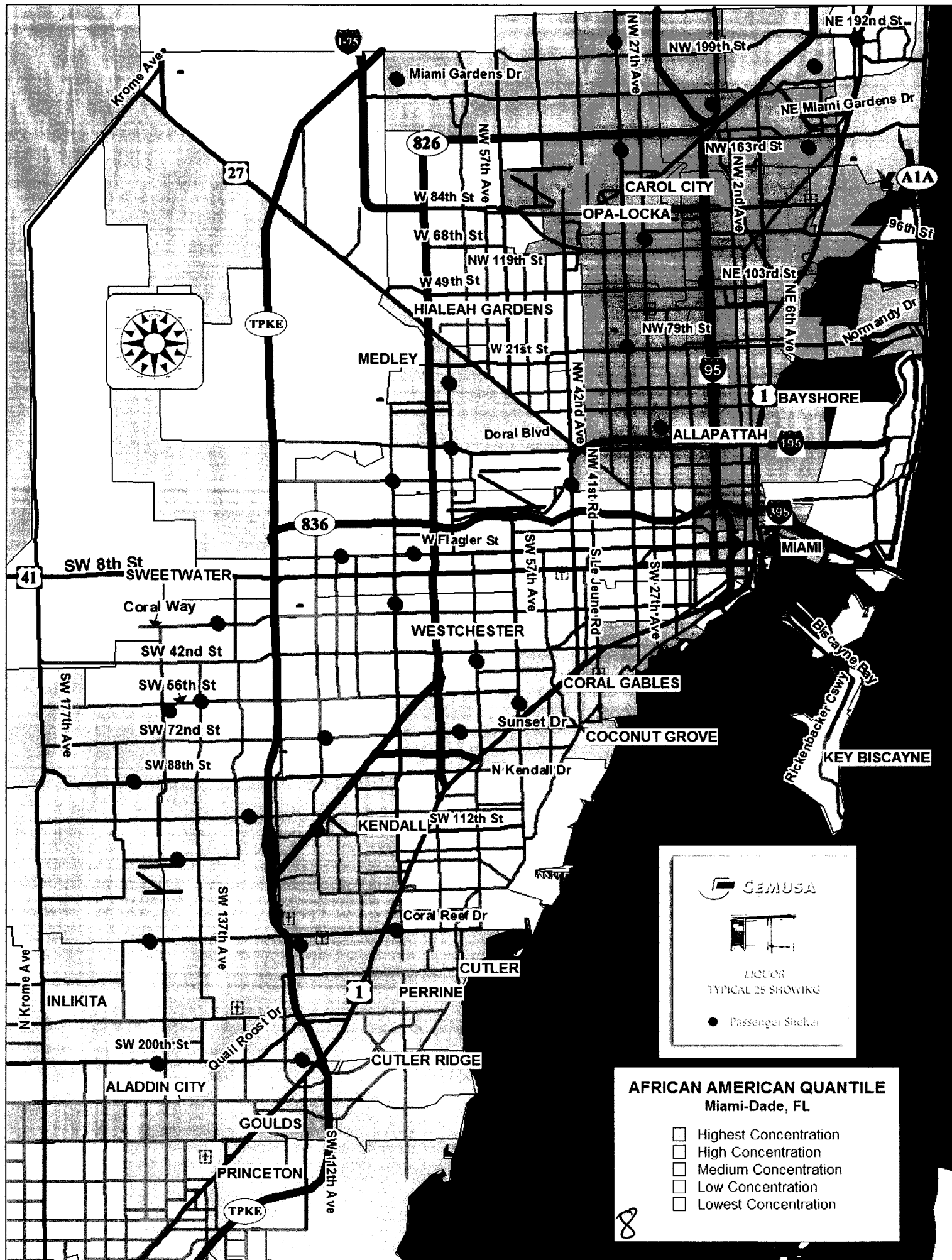
HARVEY RUVIN, CLERK

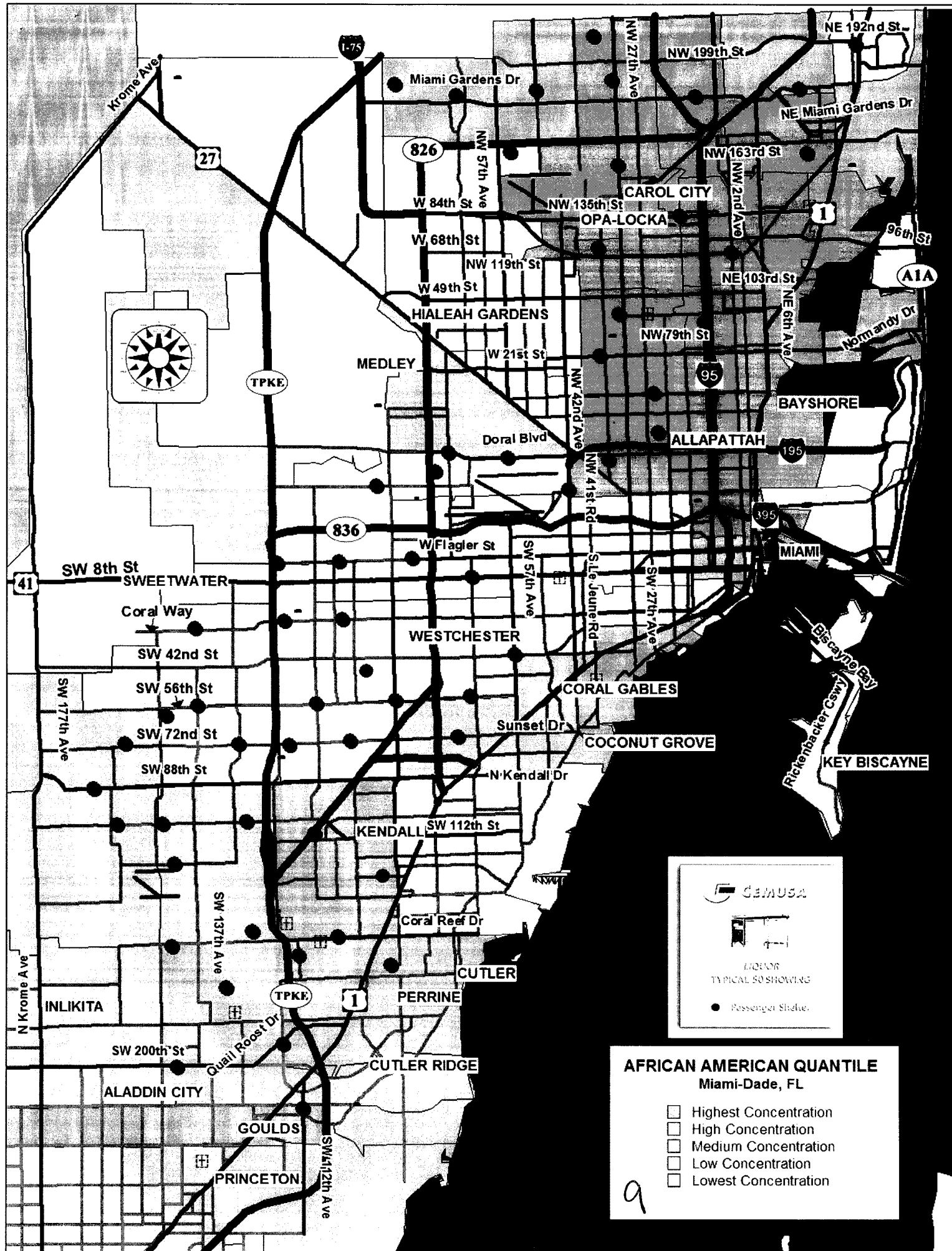
By: \_\_\_\_\_  
Deputy Clerk

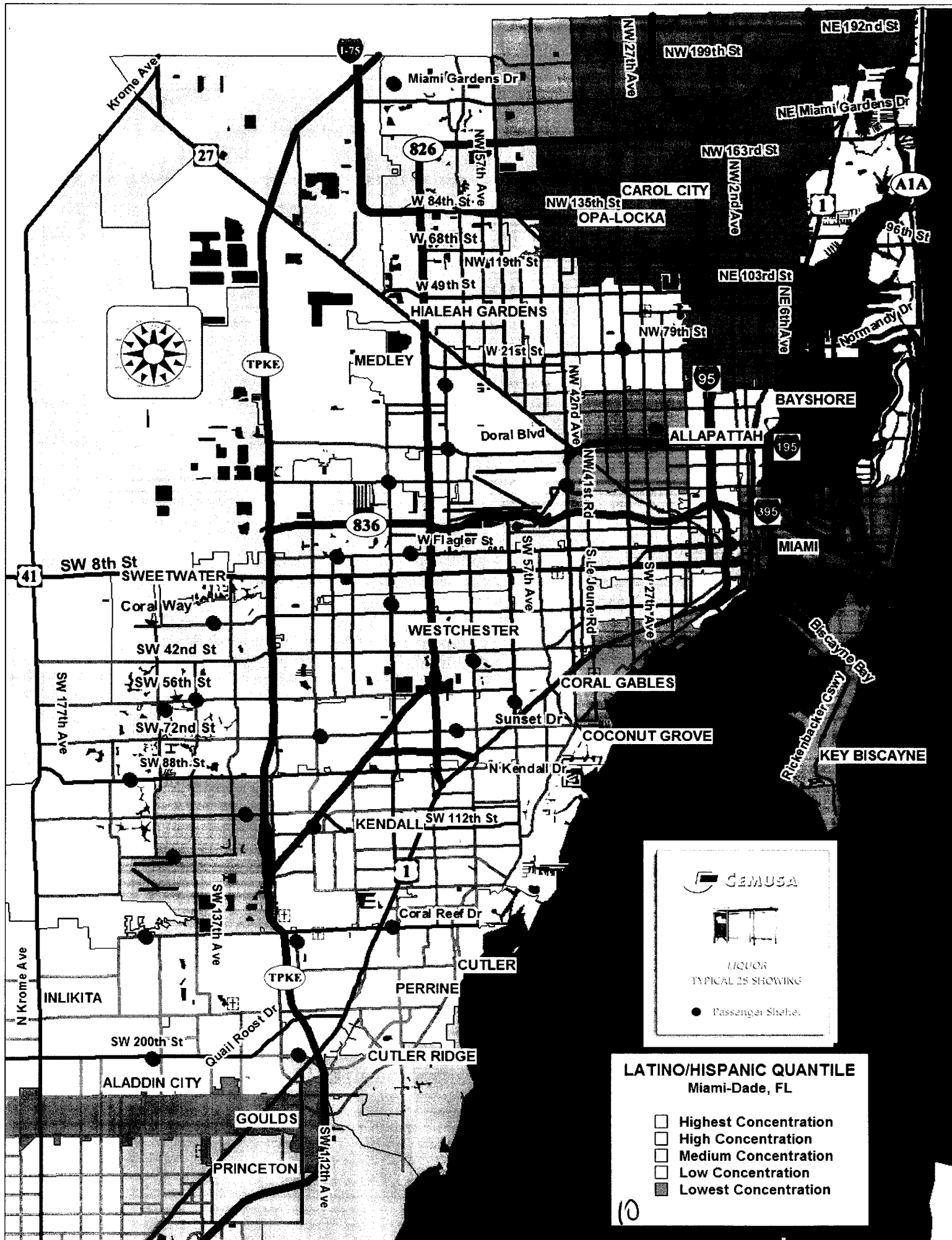
Approved by County Attorney as  
to form and legal sufficiency.

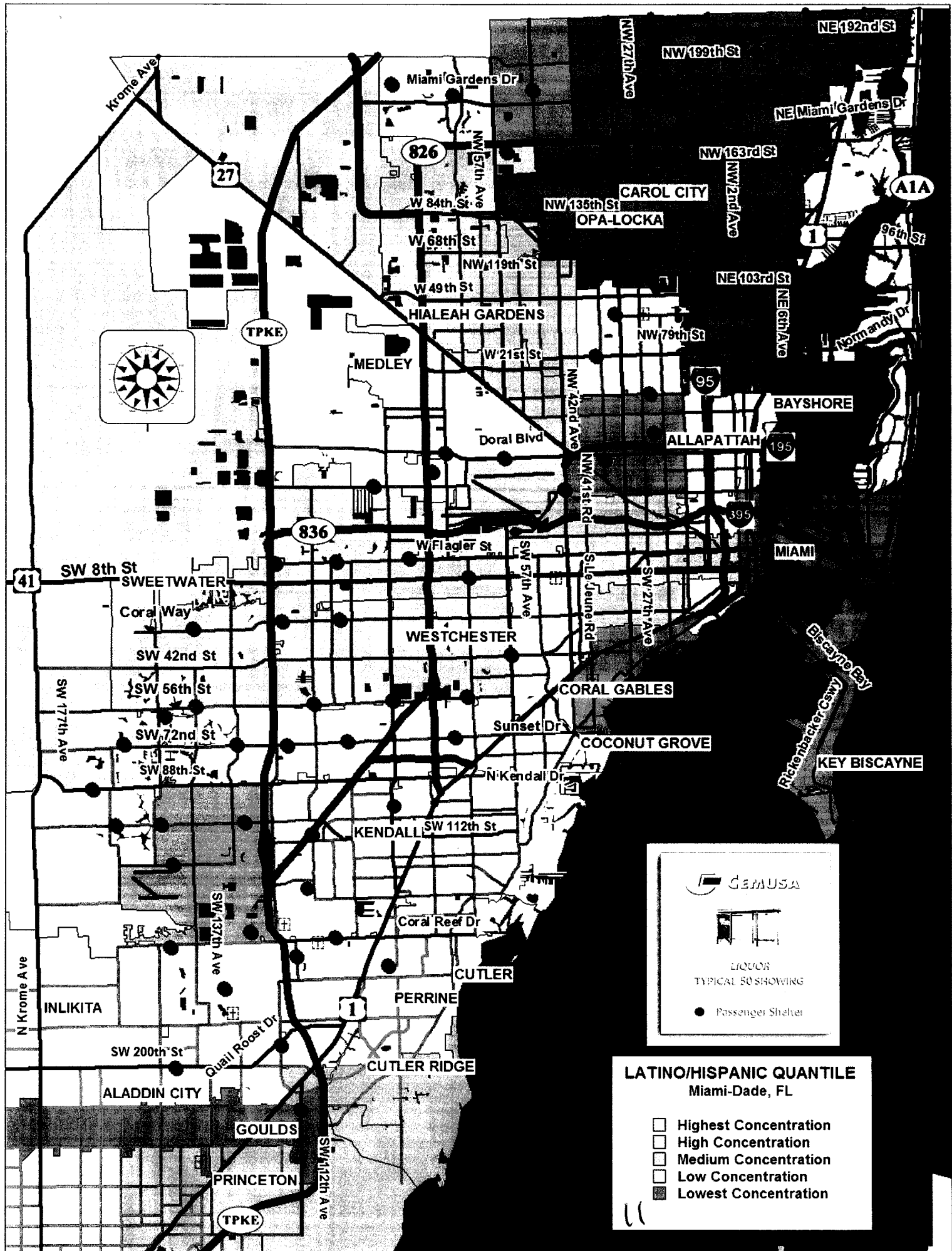


Bruce Libhaber











August 12, 2004

Mr. Roosevelt Bradley  
Director  
Miami-Dade Transit  
111 N.W. 1<sup>st</sup> Street, Suite 910  
Miami, FL 33128

Mr. Bradley,

I made a verbal commitment at the last Miami-Dade Transit Commission Meeting on July 23, 2004 to make a donation to organization(s) that provide support and treatment for alcoholism. We at Cemusa believe that this is a reasonable request and are prepared to make this investment.

Our company takes great pride in being responsible stakeholders in our community by providing clean, well maintained street furniture throughout the County. In addition, our processes allow us to maintain a sensitivity to the posting of advertising campaigns that feature alcohol. Specifically, our advertising circuits emphasize a wide distribution among the network of shelters and identify specific areas where these ads are not permitted.

It is therefore completely acceptable that we respond to your request with a confirmation of our intent to make a donation to organization(s) of mutual agreement.

Sincerely,

David Yagnesak  
General Manager  
Cemusa Miami Ltd.

C: Betty Ferguson, Commissioner

**RECEIVED**  
AUG 16 2004

DIRECTOR  
MIAMI-DADE TRANSIT

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**Between  
Miami-Dade County  
And  
Cemusa Miami, Ltd.**

WITNESSETH

IN WITNESS WHEREOF, the parties hereto have caused this first Amendment to CONTRACT to be executed as of the date first above written.

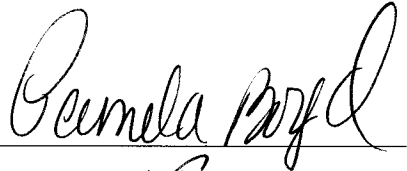
CEMUSA MIAMI, LTD..

ATTEST:

BY: 

Name: Toulla P. Constantinou

Title: Chief Executive Officer

BY: 

Name: 

Title: CEA N. A.

(Seal)

ATTEST:

MIAMI-DADE COUNTY, a  
political Subdivision of the State of  
Florida

HARVEY RUVIN, CLERK

By Its Board of County  
Commissioners

BY: \_\_\_\_\_  
Deputy Clerk

BY: \_\_\_\_\_  
County Manager

Approved as to form  
and legal sufficiency \_\_\_\_\_

## ADDENDUM

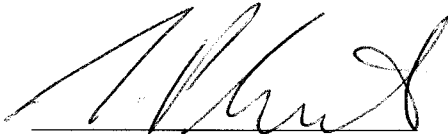
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Section 2.08 E (5) shall be amended as follows:

\* \* \*

(c) hospitals or addiction treatment centers.

All alcoholic beverage advertising shall be pursuant to a plan approved by the Board of County Commissioners for placing alcoholic beverage advertising that prevents overconcentration of such advertising in any neighborhood.



Cemusa Miami, Ltd.

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Miami-Dade County

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Approved as to form  
and legal sufficiency